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minimum wage and the...

Manchester

1903

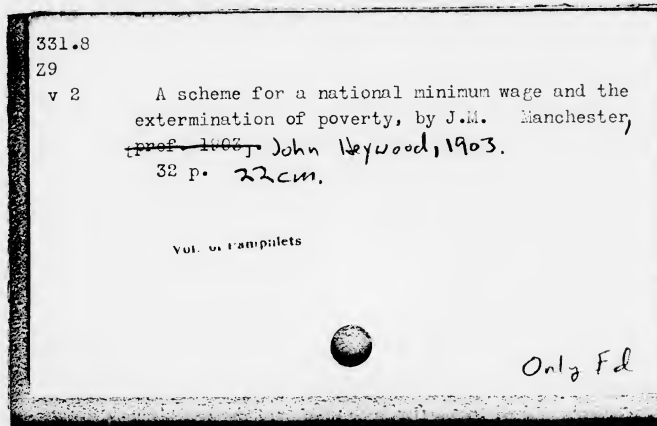
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A SCHEME for a

NATIONAL MINIMUM WAGE

AND THE
EXTERMINATION
OF POVERTY.

— By J. M. —

PRICE SIXPENCE.

JOHN HEYWOOD,
DEANSGATE AND RIDGEFIELD, MANCHESTER ;
29 & 30, SHOE LANE, LONDON, E.C.

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"But if you can fix some conception of a true human state of life to be striven for—life for all men as for yourselves—if you can determine some honest and simple order of existence; following those trodden ways of wisdom, which are pleasantness, and seeking her quiet and withdrawn paths, which are peace; then, and so sanctifying wealth into 'commonwealth,' all your art, your literature, your daily labours, your domestic affection, and citizen's duty, will join and increase into one magnificent harmony."
—RUSKIN, "Crown of Wild Olive."

PREFACE.

So long as Poverty, with all its attendant horrors, is in existence, one need offer no apology for the appearance of another contribution to the literature bearing on the Social Problem. Notwithstanding the many remedies that have from time to time been suggested and tried, and the great agitations which have occasionally threatened the foundations of society in the attempt to shake off the direful malady, Poverty as rank as ever is still with us. We cannot all reconcile ourselves to the belief that it is here to stay as an indispensable attribute of our modern civilisation. Rather does the conviction gain strength that a remedy does exist and only requires to be found; and it is this conviction which prompts me, as it has prompted others in the past, and in spite of repeated failures, to venture the publication of a scheme for the solution of the problem which in its main principle is simple, and in its details and cost less formidable than some schemes which have gained the ear and advocacy of a large proportion of the populace.

Since preparing this pamphlet for the press the National Conference on "The Problem of the Unemployed" has been held in London, and it is perhaps worth noting that the Lord Mayor of Sheffield, who presided on the second day, is reported as having said: "If all the resolutions on the agenda were passed they would still only have touched the fringe of the great question. The suggestions were only palliative, not radical."

The scheme suggested in this pamphlet is intended to go to the root of the question, and to exterminate, not palliate, Poverty.

March 3rd, 1903.

J. M.

CHAPTER I.

INTRODUCTORY—INEFFICACY OF SUGGESTED REMEDIES.

That any scheme may deal effectually and permanently with the Problem of Poverty, it must necessarily go to the root of the evil. The difficulty is that there is such a great divergence of opinion as to what is the root of the evil. No doubt there are many contributory causes of poverty, but the opinion prevailing amongst a very large number of those who take a keen interest in the question is that it is our competitive system which is the main cause, and it will be seen that the question is dealt with here on this assumption.

It will be evident that, assuming our competitive system to be the main cause of Poverty, no scheme can succeed as a remedy which does not set a limit to competition involving the regulation of supply and demand; for so long as unrestricted competition produces Poverty, which in itself creates and fosters evils that in their turn beget more Poverty and deepen that already existing, any radical alteration can scarcely be expected by devoting our efforts to the secondary causes while leaving the primary untouched. I am not one of those who think that, before Poverty can be eliminated from society, competition must be *completely* banished from present-day social economy. It may be that competition is in many aspects a good thing, and necessary; but as we have it to-day in our industrial and commercial life, exercising full unrestricted force and attended as it is in the lowest grades of society with so much that is repulsive and discreditable to us as a Nation, one can at least say that we have too much of a good thing. And, if it is our present competitive system which is the root of the evil, it is little use our trying to find a permanent remedy in any scheme which does not seek to modify that system or to set a bound to competition. Yet the remedial measures hitherto suggested, although the propounders of them fully recognise the evils of unrestricted competition, are not based on any modification of the competitive system.

Believing, in view of the congested state of our industrial centres, that England was overpopulated, many people have turned their attention confidently to emigration as a way out of the difficulty.

Says Carlyle ("Past and Present"): "Why should there not be an 'Emigration Service' and secretary with adjuncts, with funds, forces, idle navy-ships, and ever-increasing apparatus; in fine an *effective system* of emigration; so that at length . . . every honest willing workman who found England too strait, and the 'Organisation of Labour' not yet sufficiently advanced, might find likewise a bridge built to carry him into new Western Lands, there to organise with more elbow-room some labour for himself? There to be a real blessing, raising new corn for us, purchasing new webs and hatchets from us; leaving us at least in peace; instead of staying here to be a Physical-force Chartist unblessed and no blessing!" And again: "A free bridge for emigrants. . . . We could proceed deliberately to organise labour not doomed to perish unless we effected it within year and day; every willing worker that proved superfluous finding a bridge ready for him. This verily will have to be done; the time is big with this. Our little isle is grown too narrow for us; but the world is wide enough yet for another six thousand years."

In the light of our present knowledge it would appear that Carlyle's idea as to the "straitness" of our isle was imperfect, for the population has increased since then some twelve or fourteen millions, although emigration has been going on at the rate of many thousands per annum; and we are, moreover, told that the United Kingdom could produce food enough to supply double the present population, so that the over-population theory is no explanation of the cause of Poverty. If the twelve or fourteen millions of human beings who have been added to the community since Carlyle's day were so many "superfluous," the condition of this country would be indescribably worse than it is now. The fact is that a certain, though variable, percentage only of this added population is below the Poverty line. And just as we have to-day the upper, middle, and lower classes, and the very poor, so any increase of population would be similarly proportioned, and under free competition we must have, as the lowest strata of society, the "poor." This seems a condition inseparable from the purely individualistic state of society, the multitude of poor wretches who just exist being apparently a natural and necessary factor in *laissez-faire*, and, as under our present régime there is no "superfluous" population, the thousands who leave our shores year by year cannot be drawn from the superfluous, and, in fact, consist for the most part of capable and industrious workers. But even if the number of emigrants were very much greater, and they were taken largely from the chronically out-of-work, there could not be a really permanent improvement so long as *laissez-faire*, under which wages constantly tend to the limit of bare subsistence, actuates our industrial relations.

Back to the Land.
The theory involved in the more recent cry of "Back to the Land" is similar to that underlying emigration. Emigration, it is said, would

relieve a congested country by taking a portion of its people to another country. "Back to the Land" would relieve the congested town by transferring part of the over-crowded population there to the country. But how would this more than temporarily relieve poverty? If, for instance, you do by any means whatever, either commercial or philanthropic, transfer a large portion of town population to the country to grow, say, corn and other foodstuffs, will it *remove* or *tend to remove* Poverty, or merely *alter its incidence*? Whatever produce is raised by the portion of the community so transferred back to the land, it must be distributed through the ordinary commercial channels. If a larger proportion than usual of agricultural and garden produce is thus suddenly placed upon the market, the tendency is to lower the prices of those articles of produce; and those reap the greatest benefit of the reduced prices who buy most largely. The effect on the very poor, who can afford little, is very small. But the tendency of the reduced prices, meaning less profits for farmers and gardeners, is to drive out of these occupations a certain proportion of those engaged in them until the normal condition of things is again established. What becomes of the money saved by those who really feel the benefit of such a reduction in prices? Does it, in any appreciable degree, reach the pockets of the lowest classes, for whom the benefit is chiefly intended? It would be impossible to follow the various transformations and dislocations that would ensue, for the money could go in an infinite number of channels. It might go in other forms of necessities or luxuries; it might be used to speculate in gold mines, or gambled away on a racecourse; but one thing is certain, that it would not be spent by the community with a single eye to further the scheme of alleviating the hard lot of the poor, in whose interest it was created. The money would, in fact, find its way into the ordinary channels, and would become a factor operating to frustrate the effect desired; for it would create changes in demand, which must be followed by corresponding changes in labour—hands would be thrown out of employment in some quarters, and they would be taken up, perhaps on the very lowest round of the social ladder, in others, thus keeping well replenished that grade of society known as the "submerged tenth," from which would be taken the labourers originally transferred back to the land. In fact, though you may artificially increase the area of cultivation, it will eventually, through the operation of the ordinary law of "supply and demand," revert to normal proportions; for, though the poor may "demand," they have not the power to give in exchange. Thus,

while you are trying to raise one part of humanity out of Poverty, you are precipitating another part into Poverty.

Although Carlyle, in the passage above quoted, lays so great a stress on the importance of emigration as a palliative of Poverty, he seems, also, to imply (and this I wish to be particularly noted in passing), by the words "the Organisation of Labour not yet sufficiently advanced," that he looked for a time when labour would be so organised that the evils of our present industrial system could not exist.

Co-operation, too, has had, and still has, its

ardent advocates. By co-operation I mean that system of trading commonly called "co-operative," so prevalent in this country. It has had a fair trial, but, although there can be no doubt that it has been attended with excellent results in many ways, I think it can scarcely be claimed that it has materially altered the proportion of the poor, or that its tendency is to directly banish Poverty from our midst. Although co-operative societies flourish, so does Poverty, and thousands of the poor are members of the societies. This can scarcely be a matter for wonder when it is remembered that self-interest is not eliminated in this kind of co-operation, each member, even if possessing only one share, being a little capitalist looking for profit, and that competition in one form or another operates among co-operators just as it does elsewhere. If the whole population belonged to co-operative stores, and received certain dividends every quarter, it does not follow that those now below the poverty line would be brought above it, even assuming that each individual were to become as thrifty as the average co-operator is. A great many would receive very, very small dividends, others larger, and some enormous, according to their means of purchasing. But, so far as the lowest rank of the weekly-wage-earning classes goes, is it not a fact that these dividends, whatever they are, come to be considered as part of the family income, and, under the influence of competition, must tend, more especially among the unorganised wage-earners, to lower wages by the amount of the dividend? At any rate, numbers of families depend on their dividends to meet periodical household payments, and apparently they would do badly without them or their equivalents in wages; and it should be remembered that the lowering of the wages of the lowest ranks of wage-earners affects, though this, perhaps, is not immediately perceptible, the wages of higher ranks disadvantageously.

Then as to the Nationalisation of the Land, which, to many people, is the one solution of the Social Problem. That the land will one day belong to the people seems more than probable, but it will come about by a gradual adapting of industrial relations

on a socially just basis. Land Nationalisation may be inevitable, but I cannot think that it will come by itself, unaccompanied by other changes in our social relations; nor do I think that it is the most important or even a necessary reform in dealing with the question of Poverty—for if the whole land belonged to the State to-day and the Government received the rents, would this do away with Poverty without "organisation of labour" or regulation of "supply and demand"? If the whole of the rent received from the land went, by reduction of taxation or otherwise, into the people's pockets, thus enabling them to live on less wages, it would enable the industries of this country to compete more effectually against those of other countries; trade would be brisk for a time, until the other countries had reduced prices to the same level as our own. Then would ensue the usual occurrences over again—slackness of trade, men thrown out of work, severe competition amongst workmen, and finally the same, or even a worse, state of Poverty.

It is claimed, as a result of Land Nationalisation, that "no one would be deprived of the possibility of using land, and that the people, being able to work on the land, would cease to enslave themselves as labourers in mills and factories, but would disperse themselves about the country."—(Tolstoy.) As to the facilities that might be afforded the public to cultivate the land as a result of its Nationalisation, we can grant that these would be immensely improved, but there would still be ownership, if a more limited one, in land, for it would certainly belong to the tenant for the term of his tenancy, whether it be for a year or a number of years, and the public would be excluded from such land held under a tenancy just as rigorously as they are under the present system of land tenure. Nor is it quite certain that the area of land under cultivation would be materially increased by the change. Under the present system the supply meets approximately the demand, and if the demand increased to such an extent as to require more land to be brought into cultivation, there would be no difficulty in meeting this demand and supplying the increased area of land with the necessary labour. Seeing, then, that under the scheme of Land Nationalisation supply and demand would still be unregulated and competition as active as now, demand would regulate the amount of land in cultivation, and competition would still bring out at the bottom of our social fabric that same layer of Poverty which, however strong its natural "demand" for the produce of the land may be, has not power to make the effectual "commercial demand" that will draw the supply. People would not, in fact, leave mills and factories to go on to the land merely because they would have the facility of doing so: they would make the change only with a prospect of doing better for themselves as tillers of the soil than as factory operatives, and to gauge their prospects in a venture

of this kind they would look to the markets and be guided by prices which would be the index of "demand." So that the mere transfer of the land from private ownership to State ownership, without any accompanying modifications of industrial organisation, can be no panacea for the ills of society.

The idea known as the "Garden City" scheme, GARDEN CITIES, prompted, as it doubtless is, by a genuine concern for the welfare of the people, also lacks finality as a remedy for Poverty, in that it makes no provision for coping with the evil consequences of unrestricted competition or the evils arising from dislocation of industry due to the unregulated operation of supply and demand. If the "Garden City" scheme should ultimately be carried out on any considerable scale, competition will operate in the "Garden Cities" with as much effect as anywhere else, premising, of course, that the industries carried on there are not restricted to such as are to a great extent outside the influence of the more extreme effects of competition, such as the manufacture of patented articles or articles with a reputation of their own. If there are in these "cities" industries which must compete with one another, then you must have competition all round; and as there would be competition not only within the "city," but between city and city, and also with foreign countries, there must, as it seems to me, be a tendency to utilise the expected income from ground rents in reduction of wages. For if the people have less to pay in rent and rates, they can live at a cheaper rate, and, if competition demanded it, wages would be reduced to get or retain trade just as is done now. There is certainly, therefore, no guarantee that there would not be a percentage of the population even in these "Garden Cities" living below the Poverty line. And if you have Poverty you must have congestion in some form or other. If, however, this scheme can be worked at all, and some manufacturers can be induced in the interests of their workpeople to risk the enormous expense of transferring their works to the country on the lines suggested, the dwellers in the Garden City would be in a position similar to those who live in the better quarters of our towns now leaving, in all probability, the bulk of our poor in the same congested state in our towns. Schemes of this kind, which leave capitalism supreme, holding labour in strict subjection to it, can scarcely wholly commend themselves to the working classes generally.

TRADES-
UNIONISM. Trades-unionism has been the method of most promise, and most people will readily admit, that it has been, in spite of its errors, a powerful influence for good, securing for various sections of workers not only higher wages, but many improvements in the conditions and hours of labour. It has also done much in

teaching men to think and act for themselves; they can take an intelligent view of labour questions, and, having agreed as to a right course of action, can act unitedly and loyally with one common aim. Trades-unionism, however, although it has grown to such dimensions and acquired such an extensive influence, does not touch Poverty to any sensible degree, simply because the principles upon which it is founded were never intended to strike at the root of Poverty, only to protect the members of the various trades in union. That unionist workmen would use their organisations to counteract and destroy the causes of Poverty, if they knew how, no one for a moment would doubt; but, seeing that each union is essentially an organisation for self-protection, unionism is not constituted for the purpose. I have always looked upon trades-unions as so many dams raised in the stream of competition, which raise the level of wages more or less, but cannot permanently stem the current or even effectually alter its course. At any rate, in spite of the power unionism wields, and its willingness to come to the relief of the poverty-stricken portion of the community, the question still awaits solution, and probably it was never in a more acute form than to-day.

There is finally the system of relief works. RELIEF WORKS. These have not, of course, pretended to be a remedy, but only a palliative. There are, however, suggestions thrown out that these works should be conducted on a larger scale and spread throughout the country, forming a national system, giving all out of work the opportunity of finding a little of something to do. This proposal can only be justified by the want of something better. We should not be humane if we could watch the people starve and do nothing, and, if no better plan of dealing with unemployment can be devised, recourse must be had to this. But it certainly will never supply the want. It can never raise the masses out of Poverty; all that it can do is to keep the poorest of them from starving. The work itself could scarcely be other than degrading to the morals of the workers, for they, and everyone else, would know that they were not doing what was absolutely necessary, but must have the feeling that they were doing something in return for charity. It is not likely that men will work industriously with feelings of this kind, and the probability is that a system of National Relief Works would have the effect of fostering habits of loitering and idleness. This is an expedient, too, which, it may be feared, will prolong the agony of Poverty rather than cure it. If it become part of the national system to provide these relief works extensively in the winter time, the people will naturally look forward to them, and their earnings in other parts of the year will be modified with this work in view. If they know definitely that they have this work to fall back on they can take less regular

work, and at less wages than they otherwise would. They thus begin to lower the very lowest of wages, and the number of applicants for work at the relief works must continually increase. It cannot be to the interest of the country that there should be a permanent system responsible for breeding incompetency and idleness. What the people want is not "work" for mere employment's sake, but the opportunity of earning a living; and how to secure to each and every citizen the right to earn a living is the question we are seeking to answer, for if an organisation of labour can be devised which will accomplish this end we can then be said to have solved the problem of Poverty, and can look for a speedy extermination of this long-born evil.

It will be evident that in the brief references here made to these familiar expedients for dealing with the Poverty question I have given prominence to the fact that not one of them professes in any way to restrict competition, and that no scheme can deal effectually with Poverty which does not set some limit to competition, for Poverty is an indispensable feature of the purely competitive system—that is to say, where industrial operations are carried on on the scale to which we are accustomed.

CHAPTER II.

THE SCHEME OUTLINED.

MANY different opinions exist as to the ideal state of society to be aimed at, but to those who are really in earnest in their interests for the progress and elevation of humanity there can scarcely be any other opinion than that, whatever the form of government, the organisation of labour to be striven for should be such as to insure, firstly, to everyone the right to labour, and secondly, in return for equal efforts a division of the products of industry as nearly equal as possible.

If, for instance, we have a small ideal community of ten persons, who provide themselves with all necessities and luxuries on a principle of true co-operation. Each necessary and luxury on a principle of true co-operation, we shall have all working the same number of hours per day, each giving nine-tenths of the produce of his labour to distribute amongst the other nine, and receiving from each of the nine one-tenth of the produce of each in return, thus each individual receiving an exactly identical share of the aggregate produce. It follows, too, that the more industrious the ten are, the better or more luxurious the living, and that the introduction of labour-saving machinery, so long as distribution remained the same, would raise very materially the standard of living of all. In such a state of society there could be no room

for a capitalist, as commonly understood, and no capitalist could come into existence unless the organisation of industry became deranged, and care was not taken to regulate supply according to demand. If, for instance, the ten individuals commenced to work more or less blindly, not knowing whether they were making too much or too little of their respective articles to insure their being exchanged among themselves, the consequence would be that the equilibrium of demand and supply would be upset. The door would thus be opened for all the evils of the individualistic state, including competition. If each of the ten units is made to represent a million, you have ten millions of workers who are working, so far as any organisation of supply and demand goes, almost in the dark, the only guide being the very inadequate one of market prices. It would seem, therefore, that the ideal to which all efforts in labour organisation should tend is the direct exchange of produce, as instanced in the small community of ten, involving a regulation of supply and demand and the restriction of competition—this is the principle of true co-operation.

I have endeavoured to show in the previous chapter that no scheme for dealing effectually with Poverty can attain its end unless it is based on some method of restriction of competition. Whatever the scheme, it must, for present utility, be practical, and one which can be brought into operation at once. Now, to banish competition completely from our commercial system, either by organising industry on extreme socialistic lines or otherwise, is not practical at the present time, and if we are to wait for its complete disappearance before a remedy can be devised for Poverty we shall have this evil with us for many a long year to come. I think, however, it is possible to so organise industry that a limit may be set to competition, thus preventing the beating down of wages to starvation point, and at the same time insuring to all the right to labour. In fact, there would be work for all at a living wage.

Attempts have, of course, been made from time to time to fix a minimum wage for particular departments of industry, as, for instance, the miners' living wage; but sectional treatment only can never remedy the Poverty evil. So long as any considerable part of the community cannot be organised by trades, but is free to compete, and even compelled to compete, the force of competition must make itself felt more or less in all grades of labour. No doubt, combinations of workmen can do much to retard the action, or even counteract, to some extent, the effect of competition, but in the long run the law of "supply and demand" and competition shape the course of industry and commerce, and assign to each grade of labour its wages, bringing out at the bottom of our social fabric that layer of Poverty, with all its accompanying miseries and vices, which

is at once a menace and a blemish to a Christian country. Although the motives that actuate a trades-unionist are not in themselves unnaturally selfish, being but laudable desires to provide as well as possible for himself and family, and protect himself against undue pressure from the capitalist, still, at times, especially during the excitement of strikes, the action of unions has appeared selfish in the extreme. In the memorable coal strike of 1893, for instance, the cry was more than once raised that "if the public want coal they must pay for it"—that is to say, must pay the miner the wages he demanded, or go without coal. When it is remembered that the "public" included fellow-countrymen and their families much worse off than the miners, speeches of this kind could scarcely fail to give to many people the impression that unionism was essentially selfish. It was, of course, urged that others should combine for their own protection, and make their demands for a living wage in the same way that miners were doing. Now, in the district I have in mind, many agricultural labourers had during the good times, induced by better remuneration, left the country to work in the pits; when the spell of bad trade came the opinion was expressed that these men should be kept out of the pits by law. In reply to the suggestion that this seemed an unkind course to adopt, seeing that agricultural labourers earned so little, it was argued that although their wages were small they had other advantages to counterbalance this, or that they ought to combine and organise their own labour so as to secure a living wage. This would mean the raising of the price of corn, and, as this could only have been done by the imposition of a tax, those who suggested the course would, as free traders, have strenuously opposed its being carried out. The strike of 1893 left a deep impression on my mind, but I am quite certain that much of this apparent selfishness was due to the excitement of the moment, and, in part, to a sincere desire for the establishment of a living wage, the method of compassing which was unworkable if the whole community was to benefit by it. I dwell on this aspect of unionism in order to emphasise the importance of the fact that any scheme, to be a success, must contain no trace of exclusiveness, but must include within its scope all classes of wage-earners. The only principle on which, as it seems to me, a sound scheme can be formed is the principle of "live and let live"—"life for all men as for yourselves." If any section of workers want a wage of thirty shillings a week the surest and fairest way of obtaining it is to see that other sections of the community have at least thirty shillings, too—or its equivalent.

RUSKIN'S
METHOD.

This is what Ruskin says in summing up his chapter on "Mastership" ("Munera Pulveris") as to the method of dealing with distress: "And now, finally, for immediate rule to all who will

accept it. The distress of any population means that they need food, house-room, clothes, and fuel. You can never, therefore, be wrong in employing any labourer to produce food, house-room, clothes, or fuel; but you are always wrong if you employ him to produce nothing (for then some other labourer must be worked double time to feed him); and you are generally wrong, at present, if you employ him (unless he can do nothing else) to produce works of art or luxuries; because modern art is mostly on a false basis, and modern luxury is criminally great."

No one will disagree, I think, with this statement of Ruskin's, though, to be strictly correct, it seems to require some modification. You can certainly be wrong in employing a labourer to produce any of the necessities mentioned—if you employ labour in producing, say, clothes out of all proportion to the other articles, you are wrong, for there is so much waste, and the producer of clothes cannot exchange his whole produce for articles of diet and comfort. If you produce food in unexchangeable quantities you may produce it to spoil. This is, in fact, the law of supply and demand, failure to attend to which will wreck any scheme. But there is another qualification of equal importance which is necessary to make the statement perfectly true when dealing with distress, and that is that the means of distribution of the produce must be so organised that those whom you want to help receive the benefit. The class that you want to benefit is the very poor and unemployed. If you put a number of the unemployed to work, producing food and clothes on our present commercial lines, you may relieve to a slight extent the pressure of want on those individuals whom you actually employ by the amount of wages they will receive, which wages, being paid for work for which there is no "commercial" demand, must be of the scantiest to allow of the goods being warehoused and kept in stock until such time as the state of the market will permit of the accumulations being cleared off. But though you may relieve a few who find actual employment in this way, you are not benefiting the class as a whole, for the goods that are made with this labour have their effect on the market, and the tendency must be to displace labour somewhere else, thus keeping the lowest strata of society at a certain variable proportion of the population. As already stated, this feature seems to me inseparable from individualism, and, if Poverty cannot be remedied under our present *régime*, it seems quite plain that we shall have to make a radical alteration in our methods of dealing with it. The scheme I have to suggest is of a radically different nature.

It is a lamentable sight to see men and women who are capable of working, willing to work, and even anxious to work, walking the streets in vain endeavour to find something to do to keep themselves and those depending upon them from starving, and I think the time is not so very far distant when the State will have

to recognise its responsibility in the matter, and not leave it to be dealt with by private initiative and charity. The question is as to how it can cope with the difficulty with absolute certainty that it is acting on perfectly sound principles.

STATE-ORGANISED CO-OPERATION. The State could, were it so disposed, and without transgressing any industrial principle, provide a man who is willing to work, but could find nothing to do in the ordinary channels, with, say, a spade, some seed, and a piece of land to till, so that he might grow what food he wanted for *his own consumption*; this, however, would be but poor comfort to a man if he had to wait until his crops came to maturity before he could get anything to eat. In the same way, however, the State could provide the necessary machinery for willing workers, both male and female, to spin yarn and weave cloth, so that they could *clothe themselves*; this, too, would be no particular benefit to the workers, so long as they had nothing to eat. And we have seen that it is no way out of the dilemma to throw the produce of the workers on to the open market with the object of exchanging food for cloth and cloth for food, but the State could, in addition to supplying the means of production, also supply such an organisation as would insure the produce of each industry being distributed amongst the workers of both—in other words, it could conduct the exchange. The produce of this State-directed labour would not find its way into the general market, to be stored in warehouses and eventually retailed out at big profits, but would be taken into Government Stores, to be distributed amongst those only who had worked to produce it. This, then, is the essence of the scheme—the State to provide means of production, direct the labour, and organise exchange for all those who cannot find employment in private industry at wages equal to or higher than what can be earned at the State establishments.

STATE-OWNED MEANS OF PRODUCTION. Under this scheme there would be provided throughout the country in various convenient districts the means of production, consisting of farms, with stock, implements, and most up-to-date labour-saving machinery; mills furnished with latest type of machinery for the manufacture of the great variety of materials necessary to a comfortable standard of living; workshops and other miscellaneous means of production with the stores necessary for the reception of the manufactured goods, and from which the people would be supplied. The whole scheme would, of course, have to be under the direction of a central board of authority in London; would have a capable local board of management for each centre, which would have placed in its hands the full control of all the different farms and workshops

belonging to that centre. At each centre there would be some variety of factories and workshops with probably a farm of greater or less magnitude, so that work could be found to suit the varying capacities of the applicants for it. It will be evident, too, that the various means of production must be provided in something like due proportion, and the labour so directed that the "supply" would as nearly as possible be equal to the "demand," the labour being varied according to the "stocks" in the stores, the state of which would always be known to the central authority by means of regular periodical returns from the centres.

METHOD OF PAYMENT OF STATE LABOURERS. The workers at these National establishments would not be paid in cash, but would receive checks, or some other token, entitling them to their shares of the produce, which would be served to them from the stores. This last feature of the scheme is of vital importance to it; if the workers were paid in cash, which they could spend in the ordinary channels, the state of society would be no better, but probably worse, than before.

It will occur at once to most people, perhaps, that the apportionment of the produce amongst the workers would be a difficulty that could not easily be surmounted. I recognise the difficulty, and have no wish to minimise its importance in the least, but I do think that it is not insuperable; and, if the scheme is deemed to be sound in other respects, it ought to be faced with a determination to surmount it. I must point out that the apportionment of the goods under this scheme cannot be compared, as regards its difficulty, to what would present itself in a transference of the present individualistic state of society to an out-and-out socialistic state. In the latter case it would be absolutely impossible to assign to each worker his economic due. On what basis could it be possible to estimate, even approximately, the amount of produce due to, say, a workman engaged on a bridge destined to span a river in the Soudan, to a mechanic building machinery for a Russian cotton factory, to a bricklayer building a hospital in England, or to a farm labourer for his work on the soil where the harvest had failed?

The difficulty under this scheme would be enormously diminished, in the first place, by its having to deal with a fraction of the community, and not a whole population; then, too, the industries affected would, especially at the commencement, be limited, and this, together with the statistics that would be collected giving the actual rate of the production of all departments, would make a comparison of the results of the various departments of labour possible, so as to form an approximately equitable basis of payment. Whatever rate was fixed upon to start with would be of an experimental nature, and whoever

fixed it would err probably on the right side by under-estimating rather than over-estimating. As experience was gained, and the working of the scheme could be gauged with greater certainty, the standard of payment could be adjusted with greater precision. This experimental method is not new. It will be common knowledge that the insurance business, which has assumed such colossal dimensions, had to resort to it in its very early days. Premiums were fixed high because there was not sufficient data upon which to estimate the risk with accuracy. The original companies or societies were very imperfect in many of their details, but insurance has been, and, we may also say, is still, profiting by experience. If our present system of insurance has been brought to such a state of perfection very largely by the teachings of its own experience within itself, it is not too much to suggest that a similar plan might be equally successful when applied to the scheme here outlined.

The actual lines on which the standard of payment should be arrived at would be a matter for the very careful consideration of those placed in charge of the scheme, but it would undoubtedly be a great convenience to the community at large if it could be stated in £ s. d., so that there might at all times be a ready method of comparing the wages paid by the national industries (which would be the national minimum wage) with those ruling in the private industries. When the scheme was first put into operation it would be necessary to purchase in the open market, and put into the "stores" sufficient of the necessities of life to serve the number of people for whom it was calculated provision should be made for a certain period, and as these stocks were worked off the stores would be replenished by the labour of the people. As the goods first purchased would have their ordinary commercial value shown in the invoices in £ s. d., it might be possible to value the work of the national establishments by the same standard, and so keep from the first a standard of comparison between the national minimum wage and the wages paid in the general market.

I have already laid stress on the fact that the labourers at the national industries would not be paid in cash, but would take their pay in goods from the stores. They might probably be paid in "tin," which they could only spend at the national stores. Now this means that their choice of purchase would be limited to what was in the stores, and, therefore, as compared with the workers in private industries, they would probably consider themselves at a disadvantage; but this limitation of choice would not be permanent, and everything in reason could be supplied so long as there was a sufficient demand. As all the workers would get their livings from the stores, there would naturally be a permanent supply of all the chief items of food and clothing;

luxuries could be added to the industries as the demand arose for them, and when a new demand did arise the only inconvenience that could be caused to the labourer would be that he might have to wait until the new industry had been organised; and an inconvenience of this kind would be willingly borne by intelligent people when it was understood that the only alternative to it was Poverty for a great proportion of the people. Under the present system, if a sudden demand springs up for any commodity, manufacturers will turn off and engage men at the shortest notice without the slightest thought as to the disorganisation of industry that is taking place; this is one of the contributory causes of Poverty, and dislocation of industry of this nature would be prevented under this scheme by the regulation of supply to demand in the way indicated.

It would be to the interest of all concerned that some should suffer a little inconvenience in waiting than that Poverty should flourish as at present. Indeed, I think it must come to be recognised as merely bare social justice that you should take from your neighbour what he has spent his time and labour upon in confident hope that he would be able to exchange with you for the necessities of life; but to insure this labour must be directed. It may be you have done a good week's work, and received in return a good week's living for the produce of your labour, and, it may be, you feel thankful; but you can, at the same time, turn your back on the man that has been working as hard as yourself, but has happened to have been working at something not wanted. You have no qualms in telling him that you are well supplied with the article for some time, or that your desires have taken another direction. The law of "supply and demand," with the general complexity of modern industry, comes between you and him, and relieves you of all moral responsibility. The labourers under this scheme would be prevented from producing what was not wanted, but their energies directed to the production of articles which are known to be immediately exchangeable at their full labour value; and, though this regulation of supply to demand within the limits of the national industries would be primarily to benefit the labourers in these industries, it is evident that when once firmly established it must have a very considerable counter-balancing effect on the economic forces operating in the open market. Inasmuch as there would always be a minimum wage below which masters in private industries could not reduce their wages, and that all labour was employed, there would be less mobility in labour generally, and changes in occupation would be, then, matter for greater consideration than now, both on the part of the employers and employed, so that the tendency would be to keep as regular a staff as possible in the private undertakings, thus insuring a closer approximation of supply to demand in industry generally. This scheme would, in fact, act as

a ballast to steady the movements of industry and commerce, preventing the extreme fluctuations which are so disastrous to the community.

TENDENCY OF
MINIMUM
TO RISE. There is one feature of the national minimum wage here suggested to which I wish to draw particular attention. It is a wage which, in its nature, cannot remain at a fixed minimum, but must have a constant tendency to rise. Minimum

wages have been suggested which have been based on the actual amount of the necessities of life requisite for a "living." If it were possible to fix, either by law or otherwise, a minimum of this kind, where the amount of money wages is supposed to provide a certain standard of living, the force of unrestricted competition would make the real wages no better than before, and, even if the real wages could be maintained by any means whatever, one can scarcely conceive that in a purely individualistic society it would do anything but remain stationary, with a tendency to draw other labour down to the same level; and to establish the principle that there should be a section of the community living at as low a standard of comfort as the conscience of society will allow would not seem to me one of the most hopeful signs. In the national minimum wage of this scheme there would be no limit to its upward movement, and there would be, moreover, an inherent incentive force to impel it upwards in the fact that, as the whole of the produce would be divisible among the workers, the harder the people worked the better the wage, and the more experience they obtained the more efficient they would become. Then it would be to the very evident interest of the labouring classes generally to see that every facility and every inducement were offered to the national labourers to increase their efficiency, and, consequently, their earnings; they would have a special interest in seeing that the organisation of this labour was as perfect as possible, and the conditions of labour as comfortable as possible, for, the higher the wage or standard of living of the labourer at the national establishments, the higher and more secure their own wages would be.

The authorities of the national industries would, as the efficiency of the labour increased, announce from time to time an increase in the wages of the workers, which would mean that the aggregate produce was increasing; and as these industries would not be carried on for profit, but for the benefit chiefly of the workers engaged in them, and indirectly for the whole community, there would be the greatest possible inducement for honest and cheerful work. Each one would feel that he or she was earning his or her own "living," and not employed at work provided merely to prevent starvation.

CHAPTER III.

SOME FURTHER DETAILS.

THE main feature of this scheme is that a certain portion of the community will be working for themselves, and not for profit, under State supervision and direction, taking the whole of their produce as reward of their labour.

It has been stated that the organisation of the labour would be centred in an authority established in London, whence would emanate the regulations and instructions necessary for controlling the various departments of industry and exchange with a view to such an adjustment of "supply" to "demand" as would prevent labour being put to work that was not required, and so secure a mutual division of the full product of the labour. It is needless to say that the Central Board of Authority would consist of able men, some of whom would be experts in the various industries undertaken by the State at its national establishments, and all imbued with a real desire to raise the standard of comfort of the masses to as high a point as possible. This will also apply to the local authorities established in various parts of the country to carry out the instructions of the central board, and to superintend the various industries placed under their supervision.

An important part of the scheme is the location and grouping of the various national establishments. The object to be aimed at in this is two-fold; first, to arrange centres of work within easy reach of all parts of the country, and second, to group various kinds of work under each centre, so as to provide some variety of employment in order to meet the varying capacities of applicants for work. The particular places at which it would be most convenient to establish these national workshops or farms would be matter for consideration of the central board, who would so distribute the works throughout the country that work should be accessible to everyone. And equally important is the grouping of industries at the various centres so as to provide, as far as possible, some kind of useful employment for all capacities. Thus, in the neighbourhood of the boot and shoe industry, a boot factory could be established as a main feature, for there can be no possible doubt that the products of a boot factory will be readily exchangeable with other products equally necessary to a comfortable living. But along with this boot factory, and under the same local board of management, other factories and workshops, say, for the manufacture of women's and children's clothing should be established; then, at this and every other local centre, there should be a farm suitably equipped, as well as the "stores," at which would be retailed the great variety of commodities made at the different national workshops.

The stores would, of course, draw their supplies from all over the country, and not merely from the local centre, the stocks at the different centres being kept replenished by the central authority, who would direct the course of industry in accordance with the returns that would be periodically made to it by the local centres. In the cotton district there could be spinning and weaving mills, along with certain other factories and workshops, and the usual farms and dairies. The potteries would have their government potteries with its accompanying farm somewhere in the neighbourhood, and various other works. The seat of the woollen industry could have its woollen factory as a prominent feature. The object of placing, as far as possible, in the present seats of particular industries, works of the same kind, is that, besides distributing the national workshops throughout the kingdom, it would facilitate the transference of labour between private and national enterprise. Thus, if there arose in the general market a scarcity of cotton goods, and the cotton-mill owners offered high wages in order to meet the demand, the factory operatives could leave the national factories and go to the private mills. The authorities of the national establishments would rearrange their labour in accordance with the altered circumstances. This speedy transference of labour from national to private and private to national work would tend to prevent the excessive fluctuation in wages in the open market, making work more regular.

It will be plain that there must be a variety of occupations at each centre, so that approximately suitable work may be found for each applicant according to his or her capabilities. Strong men could be sent to rough work on the farm, and, as they would be under strict supervision and willing to work, they ought very soon to be able, if they have known nothing of farming before, to do efficiently sufficient to produce in exchange a tolerably good living. Men who are not of the most robust constitution could be put to lighter work; women could be sent into clothing factories, or to dairy work.

The various factories and workshops need not be specially built by the Government: they could be either purchased or rented according to circumstances. They should, however, be fitted with the most up-to-date machinery and appliances, so as to allow the largest turn-out possible for the labour expended, which labour would, at the commencement, be far from efficient. This inefficient labour will no doubt prove a difficulty, but it is very largely due to our present unorganised state of society, and it seems only reasonable that the community generally, which is responsible for it, should undertake the task of raising the standard of efficiency to a proper level, to say nothing of its being directly to the material advantage of labour that the workers at the national establishments should be as efficient as

possible. Under our present *régime* if a workman with a trade in his hands cannot find work at his trade he must accept what comes or starve. He might be a workman who, given the chance, could, with very little practice, make himself a tolerably efficient workman in some other trade. If he has been accustomed to regular work in his particular trade it would be easier for him to take up another calling at once, as well as more beneficial both to himself and the community, than that he should drift into casual employment, and into irregular and perhaps idle habits. So long as the public make varying demands, labour must vary too; and, although the main portion of the workers in each trade may remain constant under any changes, there must be a proportion who, if wages are to be kept from extreme fluctuations, ought to be mobile and able to change from one description of work to another, according to the varying demands of the public.

No
UNEMPLOYED. At the national workshops men would not be turned off, to remain idle for weeks or months looking for work, but, when it was found that too much labour was being applied in one department,

the surplus hands would be transferred to some other occupation, the board of management directing into what channels labour should be turned so that no labour should be employed at any work the product of which was not readily exchangeable in the national stores under this scheme. In other words, no labour would be applied to the production of any commodity for which there was not a "demand," so that when a falling off in the "demand" for any particular commodity occurred it would not be the workers in this branch of industry who would suffer, as at present. Seeing that the management would as promptly as possible reduce the "supply" to correspond as nearly as possible to the "demand," there need be no loss to anyone; the commodities actually made would not deteriorate in value, as the surplus stock, owing to the reduced supply, would all be consumed, and the workers taken from this particular branch of production would suffer no loss in wages from unemployment, and the community would not lose the benefit of the labour, which might, under our present competitive system, have to be unemployed for a longer or shorter period; in fact, as compared with the present *régime*, it would be all gain. If, however, from any imaginable cause there *should* be a loss, as, for instance, if through a change of fashion a certain stock of commodities would not "go off," and the labour expended in the production of the goods became so much waste, it would not be the labourers who had made them who would suffer, but the burden would be spread over the whole community of national labourers by means of a reduction, perhaps an almost imperceptible reduction, or a postponement of an increase of their earnings. In the same way, whatever falling off in production might arise from the transference of workers from one occupation to another would

be a loss (if such it can be called) to be borne by the community as a whole, and not by the labourers affected.

It cannot but be regarded as fair and reasonable that the public (under this scheme the general body of national workers) who are responsible for whatever waste of productive power is caused by changes in demand, should bear the loss; and the continual tendency of these changes in fashion and public whims to reduce the average earnings of all must act beneficially in restraining the public, to some extent at least, from a too free indulgence in this respect.

It will be urged, as an objection fatal to a scheme of this kind, that good men will not, for the same wages, contentedly settle down to do their best alongside men who are more or less inefficient, and who are naturally inclined to "go easy." It may be thought that under this scheme it would be the industrious workers who would keep the thriftless and idle. This is certainly not intended, and need not be. Any scheme which has for its object the extermination of Poverty must be framed to deal with all the classes who are below the Poverty line, and this means that it must be adaptable to good, bad, and indifferent workers. There would, of course, be great discretionary powers invested in the hands of heads of departments and the local boards of management, who would be looked upon as the guardians of the interests of the workers generally, and it would be one of their duties to see that each worker did his fair share. They might be assisted in this duty by inspectors specially elected by the workers to look after their interests in this respect. It is beyond doubt that there would be many, either through dislike of work or incapacity for it, who could not turn out the same amount of work as an average workman, and to pay these the same remuneration as the more efficient workman would be to offer an inducement to "go easy." There is, however, a remedy for this in piecework. In our ordinary industrial life workmen can form, when necessary, a very close estimate of the amount of work that ought to be expected from a workman in a day; and, if it can be done in the great variety of trades in which piecework is now a common system, it could be done under this scheme. It would, then, only be necessary to put a workman who, it was decided, was not doing a fair day's work on piecework. If he did two-thirds of the amount recognised as a day's work he would receive a check for two-thirds the value of the full day's work. In this way the industrious would be effectually protected, and there would be an incentive always operating to raise the standard of efficiency of those below the average. There would not only be this incentive within the national labour organisation, but outside there would be a general tendency to compel workers to take advantage of the national workshops by the withholding of charity; for, as it would be

known that any man willing to work could obtain work, it would come to be recognised as a public duty to withhold charity from those able to work. Then, too, public opinion could be counted upon as a powerful corrective of this kind of evil, for it would naturally come to be looked upon as degrading to be put upon these special terms, and when once it is possible to provide honourable and remunerative work for all who need it, the idler and inefficient must gradually become extinct under the many forces making for progress and the elevation of the masses of humanity. And it is perhaps worth remarking that the law could be made much more effective in dealing with drunkenness and chronic laziness, for men who, through either or both of these vices, neglected their wives and children could be dealt with more severely when no excuse could be urged that it arose through want of work; and as for habitual drunkards, who could not reform themselves, the law might be empowered to send these to a locality where "total prohibition" was established by law for this purpose, and where intoxicating liquors were really not obtainable. It seems absolutely imperative that some such drastic methods should be resorted to with any hope of dissipating the vast mass of Poverty, wretchedness, and vice.

As the people realised that they were, under this scheme, working for themselves, and that the more they did collectively the better for each one individually, stimulated also by the example of one another, and probably assisted by the shortness of the working day, one can scarcely be wrong in predicting that there would be a general disposition to work well and honestly, with a consequent material advantage to themselves and the nation at large.

As I have already intimated, to give productive employment to all who required it would mean that a very large amount of inefficient labour would be utilised. In one sense there would be an advantage in this. If efficient labour only were to be made use of, competition between the national industries and private industries might produce its effect so quickly on industry generally that the dislocations which would ensue would amount almost to a sudden revolution. By utilising, first, the labour of lowest efficiency, anything like a sudden revolution would be avoided, because it is scarcely to be expected that untrained workers who do not know what it is to work regularly for a full week at a stretch, even though assisted by the best machinery, should turn out anything approaching the output of skilled and practised workers; but they could do something, and as general efficiency was attained there would be a larger output, and, as industry generally would be adapting itself to the continual but gradual change, no sudden inconvenient changes could arise. At the outset, to produce, with the very lowest grade of labour, anything like a living, it would probably be necessary to assist it by every contrivance possible, until by constant and regular work some

degree of efficiency had been acquired. It might be possible and desirable, for instance, to establish at each local centre dining rooms, at which the workers and their families could get their meals, to be paid for, of course, in the special checks or other currency adopted. It is well known that the poor not only pay exorbitant prices for the small quantities of food they buy, but that there is great waste owing to their ignorance as to the most advantageous way of cooking. There might therefore be a very great saving by cooking the meals for a large number and serving in the way suggested. If a plan of this kind were adopted it would not only bring well-cooked, well-served, wholesome meals within the reach of the very poor, but would have an educative tendency, engendering a desire to attain a higher standard of comfort. It follows, as a matter of course, that cleanliness and order would be very prominent features of a scheme of this kind, and lavatories would be indispensable accessories. It would give scope for young women of the lower classes to employ themselves in useful and profitable occupations, and the children of the poorer classes who worked at the national workshops could get much better meals in this way than by going each one to his or her own home. It would save the time of the wives, who, in many cases, might find employment at the national establishments. But in any case the provision of cheap and good meals in this way would be equal to a real advance in wages to those who benefited by it.

It has been stated, as a vital principle of this
 VARIATIONS IN scheme, that the products of the labour must

MAIN be distributed amongst the labourers who produce
 PRINCIPLE them, and not thrown on the general market;

this must, to secure the absolute soundness of the scheme, be strictly adhered to. It will, however, be clear that we in this country cannot grow our own tea, coffee, rice, oranges, and other foreign products. How can this principle be maintained if the people are to have these necessities? For all such commodities as those mentioned it will be necessary to send abroad in exchange for each commodity a certain amount of the produce of the national workshops equal in commercial value to the article required. In other words, a certain proportion of the produce of the national industries must be sold in the open market, and with the proceeds of the sale the necessary foreign produce obtained for distribution amongst the workers. For purposes of foreign exchange certain industries could be carried on regularly, and would probably be to a great degree constant. In making a deal of this kind in the open market the transaction would be done on a large scale, and by one operation for the whole national industry, which ought to result in no inconsiderable saving in expense, as compared with the usual commercial methods, where for a similar exchange you would have a host of separate transactions with as many different establishment charges to

pay, including the charges of the various merchants, shippers, warehousemen, wholesale dealers, and retailers; and though as little dealing as possible should be done in the open market in order to keep the minimum wage at its highest point, these savings would go far to neutralise any loss of labour involved in the exchange. It will be seen, therefore, that transactions may be done with the general public to advantage, so long as whatever (except money) is obtained as a result of the exchange is in "demand" by the national workers, and distributed amongst them in the same way as goods made by themselves. Although these transactions between the national industries and the public might take place advantageously to meet special cases, the less of this business that is done generally the better for the workers, because they could only count on receiving the full value of their labour when exchanged as direct as possible, and the object to be aimed at would be to make themselves and distribute amongst themselves every requirement that it was possible to make at home, and exchange for those articles of foreign produce that they would require those of their own manufactures that would go as direct as possible to the producers of those foreign commodities; and as the whole of this business would be conducted through one central authority, the most efficient means could be adopted with a constant tendency to raise the minimum wage.

There is one item of the people's expenditure which would, at the outset at any rate, have to be provided in the way here named—that is, Rent. A certain portion of the national industry would have to be applied to the production of goods to be sold on the open market to be paid for in cash, which would be put to the credit of the workers if they required it *pro rata* for rent. This is a question which would require careful handling. It would, perhaps, be unwise at first to hand over any cash to the labourers even for rent, because there would be no guarantee that it would reach its destination, especially as there would most assuredly be a large proportion of that class of society which, through habits of intemperance or other vices, could not be trusted to pay it over to their landlords. If a man were paid a certain proportion of his earnings in cash in order that he might pay his rent, but instead of doing so he spent it in drink, his landlord would have to distrain and sell his goods: perhaps he would be homeless. Or he might sell the articles he received at the stores to get drunk, and in this way become homeless—so that it might seem that to benefit the vicious is hopeless. But such a man, though turned out of a home through his own folly, would still be able to earn his living if he had a mind to do so, and, as it would be common knowledge that it must be his own fault he was in this plight, there would not only be public opinion acting as a powerful restraint on such conduct, but the law could take a sterner course in repressing all description of vice. In

order, however, to lessen the liability to wrong doing that might be fostered by paying in cash even for rent, there could be notes issued, payable only to the landlords, which could be cashed at the stores; and, as they would be guaranteed by the Government, they would be equal to money—though the question of rent would probably present some difficulty certainly not sufficient to discourage an attempt to abolish Poverty on these lines.

At the outset, too, it might be found necessary to purchase coal in the open market in the same way as foreign produce would be procured. This article is a necessity, and, as a coal mine could not perhaps be organised at once with the labour that would at first be available, it would be right to purchase in this way and distribute through the stores. Coal mines would, however, eventually form a department of the national industries, and this department might be looked to very largely for the means of exchange for foreign produce.

Many other details will occur which will present more or less difficulty; but if the main principle is sound the details can be adapted to it.

If it is a fact that a third of our large population is in poverty, it does seem that if organised on the lines here suggested there might be a proportion raised almost at once to something like a comfortable existence, and that there is scope for a section to be permanently employed at a wage considerably better than what the lower classes earn at present.

CHAPTER IV.

CONCLUSION.

No treatise having for its aim the solution of the MALTHUSIANISM problem of Poverty would, I suppose, be considered complete without some reference to the "principle of population." Malthusianism is, in the opinion of many of the most intelligent and most highly educated thinkers, the rock on which any scheme for dealing effectively with Poverty must eventually break up; and as so many political economists lay the law down with authority, it is only natural that they should have a large following amongst the upper and middle classes, especially as it is a most comforting reflection that whatever misery exists through Poverty none of the blame for its existence is attachable to them, because it is a state of affairs which *must* exist, and over which they have no control.

The population, it is said, outgrows the means of subsistence, and the present method of starving the people out of existence is, though cruel, only the natural way of keeping the population within bounds. I should have expected to have seen, as symptoms of the pressing of a population on its limits of subsistence, every

available inch of ground under intensive cultivation, everyone working as long as his physical power will allow him, and every imaginable saving practised. These seem, to me, what would be the indications of such a state of affairs if, say, the population of some remote island, having no intercourse with the outside world, were allowed to increase naturally, and the means of subsistence were provided by the island alone—to keep the population alive every inch of land would be utilised, as well as every means that science and ingenuity could devise to raise the most from the limited area. Under present conditions in civilised countries it is quite the reverse of this. There is abundance of land not cultivated and abundance of labour not utilised, and there is also no small amount of waste, to say nothing of the luxury which abounds, and which ought not to be indulged in before, at least, the needs of all are satisfied. It is not surprising that the labouring classes cannot swallow the theory of Malthus, but go on scheming and organising in their own interests.

It seems, however, very strange that the theory promulgated by Malthus could have obtained the firm footing it has, when we consider the operations by which the new "demands" due to increase of population are actually made on the means of subsistence. Taking the birth rate at 30 per thousand of population, and the death rate at 19 per thousand, the increase per annum per 1,000 of population would be 11. The 30 births, however, represent young children only, while the 19 deaths include older children and adults, so that the actual immediate demand made on the means of subsistence in any one year is not represented by the actual excess in number of births over deaths, for one adult would certainly consume more than one or two newly-born or very young children—very probably there would be for the particular year taken no greater demand made by the 30 youngsters than was made by the 19 persons who were included in the deaths. Let us suppose, however, that five of the young children represent the increased demand to a thousand of population; for a population of 40 millions this would represent an increase of 200,000. Now, how does this extra population make its demand on the means of subsistence? To commence with, those mothers who nurse their children must patronise their bakers, butchers, and grocers to a greater extent; those who do not will have resort to chemists for prepared foods, and to the dairyman for milk, and I do not think that it can be charged against any of these tradesmen that they show any disinclination or difficulty in supplying all needs; and, as their increased sales necessitate increased orders on the manufacturers and farmers, these latter people arrange accordingly. They would be considered very unbusinesslike if they were not to make an effort to sell all they could of their produce. As a matter of fact, not much effort is required—they are ever willing—it means more profit; so that each increment of population makes itself

felt imperceptibly in this way on the means of subsistence. The increased demand becomes greater as the children grow older year by year, but it makes itself felt in the same way, and it seems evident there must be expansion of means of subsistence in proportion to, and in consequence of, increase of population.

If the "increase of population" is responsible for any of our Poverty, this would show itself under the scheme of organised labour here suggested, and, having got rid of the Poverty due to our competitive system, we should have to deal separately with that arising from "increase of population." It is scarcely conceivable that, in a state of society organised in such a way that the wants of the community are definitely expressed and the labour specially organised to meet those wants, the expansion of the means of subsistence could not be made to keep pace with the increase of population, especially when it is remembered that the labour would be assisted by the best machinery, and there would be a practically unlimited supply of "land" (in the sense used by political economists). If, however, contrary to our beliefs, the "increase of population" should, under the new organisation, be found to press on the means of subsistence, it would operate in a different way to its present method. All the workers at the national industries would be affected alike, and the standard of living, if reduced at all, would be reduced all round—if Poverty came to some, it would come to all, and not to a few. Should it become evident, then, that owing to the increase of population, difficulty was being experienced in keeping up the standard of living, recourse could be had, if necessary, to legal methods of retarding the increase; it is probable, however, that, through educational agencies and the general, social, and intellectual elevation of the people, the necessity of this method would be obviated. In any case, when once the Poverty due to our competitive system had been dealt with, and there remained only the tendency to Poverty arising from increase of population, this could be remedied by the more humane method of State regulation, if not by a voluntary adaptation of society to higher social ideals embracing the requirements that such a State regulation would lay down.

The principle, then, on which this scheme is RECAPITULATORY, based is that of State-directed co-operation. A section of the community would be working under Government superintendence, with means of production for producing all the essentials of a healthy and comfortable livelihood provided by the Government, the products of the industry to be distributed amongst the workers by means of a special system of payment (not in the current coin), the special tokens of which would be exchangeable only at the various national stores for goods made in the national industries. The demands at the national stores would be the guide for production, labour being directed accordingly. It may very reasonably be

assumed that if a man could secure the full product of his labour he could provide himself with much more than the mere necessities of life; this scheme, having as a main feature the direct and mutual exchange of the products of labour, is framed to secure the fullest advantage possible to each worker, preventing the diversion of any portion of his labour to unproductive and wasteful uses. As there would, under this scheme, be constant employment for all who desired it, so long as they were willing to submit to the conditions and be directed to the work which the authorities selected, there would always be a wage below which people need not sell their labour—this would be the national minimum wage, and its value would depend upon the aggregate amount of produce of the national industries, increasing with the increase in efficiency of the labour employed.

The task of organising much of the labour that would have to be dealt with under this scheme will appear to many people appalling; there would, however, certainly be a proportion of willing workers to set an example to those whose surroundings had made them indolent and inefficient, and to form a basis on which to rear the organisation. There would from the commencement be a minimum wage to which those under the average of efficiency might be urged in various ways to attain, and which would, as organisation improved and the efficiency of labour increased, steadily advance. The task may appear a formidable one, but, considering that the object to be attained is the extermination of Poverty, if the principle of the scheme is sound it cannot be too formidable for the nation to undertake.

A result of the national scheme would be the gradual extermination of the idler and loafer classes, for, as there would be no necessity to bestow charity on any able-bodied man, and public opinion would naturally have a potent effect on idlers, such individuals would be bound to work. No doubt they would prove a very disagreeable class to deal with for some time, but with a continual pressure bearing on the present idle classes to exert themselves, and the prevention of any further additions to the classes by the provision of work for all our youths who would thus not be exposed to the same demoralising influences, the idle classes must become extinct. When labour generally had thus been raised to a higher level of efficiency there would naturally be a beneficial competition between the two systems. The private industries would have to strive harder for existence, and, as education would be constantly exerting an elevating tendency on the people generally, the disparity in the social positions of various classes must become less marked, for, as the labouring classes would secure a larger share of the produce, there could not possibly be the opportunities for large fortunes to be made in the ordinary way of industry. We can even conjecture that as the people attained an intellectual level little

inferior to that of the upper classes there would not be the same desire to parade fortune.

It is, perhaps, needless to point out that the scheme, being one to enable the workers to co-operate so as to provide for themselves, there would, when once established, be no call on the State for financial help; on the contrary, it would relieve the nation of a burden due to Poverty, and to the vices and evils that spring from Poverty.

THE SCHEME
AND
SOCIALISM.

Possibly some will see in this scheme the beginning of practical Socialism, in the fact that the State would become owner, in a real sense, of a portion of the "means of production" and of "land." This suggestion has not, of course, been made in the interests of Socialism, but with the sole object of exterminating Poverty; at the same time, it is difficult to see how Socialism can ever take a practical form otherwise than by building up its social organisation in the way here indicated, putting together according to a well-arranged plan the various elements of industrialism, data for which are obtained by experimental methods, and thus raising, amid the present disorder, a regular and permanent system of society. If this scheme is the thin end of the wedge of Socialism, then Socialism and Individualism would be put into competition. If Socialism eventually displaced Individualism by encroaching on private enterprise, so as to take in all industries and all workers, it would come gradually, and the fact of its gaining the ascendancy would be proof that it was the ideal state of society. Such an eventuality is, doubtless, a very long way off, for, even when well established, the national industries would leave ample scope for Individualism. What, however, we must bear in mind is that if the assumption that it is our competitive system which is mainly responsible for Poverty is correct, then nothing will cure the evil but a radical modification of that system, and the sooner this is recognised and steps taken accordingly, the better for society.

If, as I believe, it is possible to deal effectually with the question of Poverty on these lines, and such national industries become an established fact, it may be expected that other countries will adopt the same means; and if you can secure contentment among the great masses of workers of the various competing nations by thus removing the national jealousies engendered by competition, it will contribute more effectively than any Arbitration Court can to the establishment of Universal Peace.

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**END OF
TITLE**